



Trade Adjustment Assistance for Farmers Program

Overview

Under the Trade Adjustment Assistance for Farmers Program (TAA), the Department of Agriculture provides technical assistance and cash benefits to eligible producers of raw agricultural commodities. Certain fishermen and aquaculture producers may also qualify.

To receive TAA assistance, producers must first petition the Secretary of Agriculture. If the Secretary determines that producer prices in the most recent marketing year were less than 80 percent of average prices in the preceding 5 marketing years, and that increases in imports of like or directly competitive commodities contributed importantly to the decline in prices, producers will be eligible for assistance.

Subtitle C of Title 1 of the Trade Act of 2002 (P.L. 107-210) established TAA. The statute authorizes an appropriation of not more than \$90 million for each fiscal year from 2003 through 2007 to help producers adjust to competition from imports.

Eligibility to Petition

A group of agricultural commodity producers or qualified fishermen in the United States, or their authorized representatives, may file a petition for TAA. The petitioners may file on behalf of all producers in the United States, or they may file solely on behalf of producers in

an impacted area of one or more states. If the Secretary determines that the eligibility requirements have been satisfied, the producers covered by the petition are certified as eligible for TAA.

The petition Form FAS-930 is available on the Internet at: <http://www.fas.usda.gov/itp/taa/resource.htm> or www.sc.egov.usda.gov. The petition can also be requested by phone at (202) 720-2916; or by writing to: USDA, Foreign Agricultural Service, Trade Adjustment Assistance, STOP 1021, 1400 Independence Avenue, SW, Washington, DC 20250-1021; or by e-mail at: trade.adjustment@fas.usda.gov.

Application Process

After petitions are approved by USDA's Foreign Agricultural Service (FAS), producers may apply for TAA benefits at the nearest USDA Farm Service Agency (FSA) office. Producers may request advice from FSA regarding the preparation and submission of applications.

Applications may be submitted in person, by fax, or electronically if applicants first complete certain identification and authorization forms at the FSA office.

The TAA application Form, FSA-229, "Application for Trade Adjustment Assistance for Individual Producers," is available at www.sc.egov.usda.gov and at FSA offices.

Applicant Eligibility

Only producers covered by a certified petition may apply for TAA. Producers do not need to be members of the organization that petitioned for TAA benefits. Rather, producers establish their individual eligibility by submitting evidence of having marketed the agricultural commodity in the area during the marketing year covered by the petition.

Additionally, producers must certify that they:

- had average adjusted gross income of \$2.5 million or less; and
- had less net farm income or less fishing income than for the latest year in which no TAA benefit was received. Net farm or fishing income specifically means income reported on Internal Revenue Service Schedule C, C-EZ, F (Form 1040), and Form 4835 or Form 1120 for corporations. It is not sufficient for a producer to certify net income without providing documentation. The income-related documents may be submitted by the applicant or by a certified public accountant or attorney.

Producers covered by a certification should contact their local FSA office if they have questions regarding their specific eligibility.

Technical Assistance

After submitting the FSA-229, producers may receive no-cost, technical assistance from USDA's Cooperative State Research, Education, and Extension Service (CSREES), which may include:

- information regarding the feasibility and desirability of substituting one or more alternative commodities for the adversely affected commodity; and
- technical assistance that will improve the competitiveness and marketing of the adversely affected commodity.

Assistance may be provided through group presentations, one-on-one meetings, and technical publications. Producers will also be provided information concerning procedures for applying for and receiving other Federal assistance and services available to workers adjusting to import competition.

Cash Benefits

To be eligible for TAA payments, applicants must submit documentation to FSA showing that the applicant:

- received technical assistance from CSREES;
- reported less net farm income or fishing income on their Federal income taxes than during the latest year in which no TAA was received. The income-related documentation may be submitted by the applicant or by a certified public accountant or attorney.

Additionally, an applicant must certify an average annual adjusted

gross income of \$2.5 million or less for the three tax years preceding the year for which payment is requested. Documentation of this certification may be required for applicants selected for a spot-check.

Producer Application Period and Supporting Documentation

The period for producer applications begins the day after a petition for an individual commodity has been "certified." This petition approval date is ordinarily announced by press release. Applications from individuals must be received at the local FSA office within 90 days after the petition has been announced as approved. Documents providing production evidence must be provided within this initial 90-day application period. For qualified fishermen and aquaculture producers, FSA may request evidence of marketings instead of production evidence.

Other required supporting documents, including documentation of net income and proof that technical assistance from CSREES has been completed, may be provided beyond the initial 90-day period, but not later than September 30 of the current fiscal year.

Payment Rate and Limitation

The payment rate for TAA commodities will be no more than the rate determined in the petition-approval process. However, because TAA funds are limited to \$90 million for each fiscal year, actual payment rates may be based on the total number of commodities and producers approved for payment.

The maximum amount a producer can receive in any Federal fiscal year is \$10,000, even if the producer is receiving cash benefits for more than one certified commodity. Further, the total amount of payments a producer receives under this program, combined with counter-cyclical payments made under P.L. 107-71, may not exceed \$65,000.

Example: If a producer receives a total of \$65,000 in counter-cyclical payments during a crop year, the producer will be ineligible for TAA payments for that same crop year. If a producer receives a total of \$60,000 in counter-cyclical payments, the producer will be eligible for an amount not to exceed \$5,000 in TAA payments.

For More Information

Additional information on TAA is available at local FSA offices, on FSA's Web site at www.fsa.usda.gov, and on FAS's Web site at: www.fas.usda.gov.

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